Government of Saskatchewan

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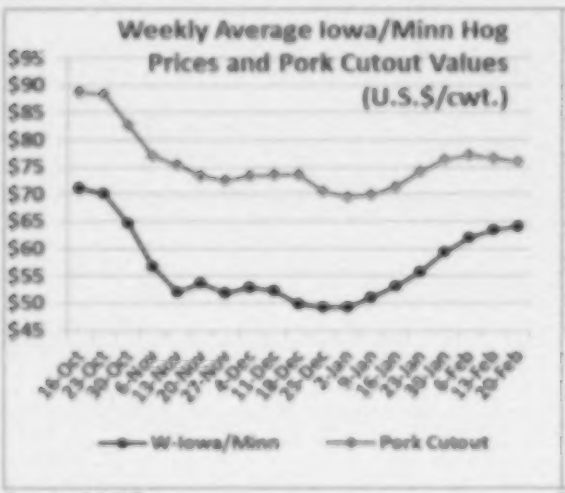
Weekly Hog Report

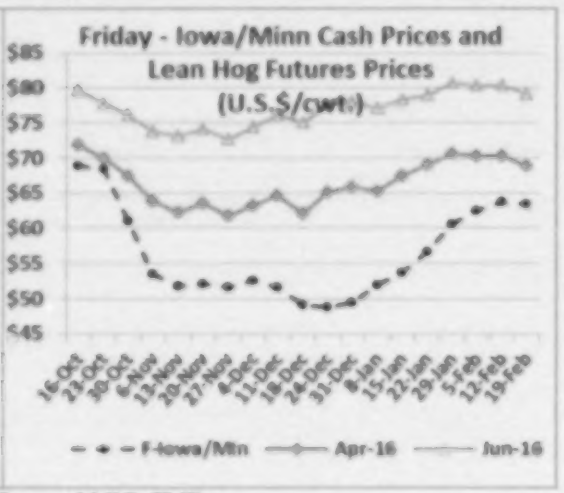
February 22, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed over the week edging slightly lower, week-over-week. Hog prices on Friday February 19 averaged US$63.40 per cwt, down US$0.23 per cwt from US$63.63 per cwt the previous Friday. The negotiated base price last week averaged US$64.03 per cwt, up US$0.75 per cwt or 1.2 per cent from US$63.28 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

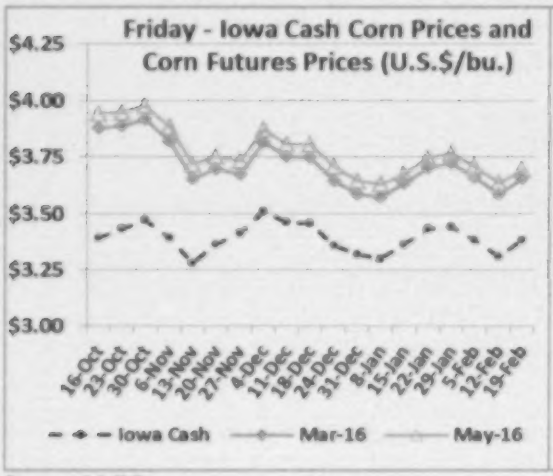
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday February 19, 2016 was $159.40 per ckg, down $2.99 per ckg or 1.8 per cent from $162.39 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $160.75 per ckg, up $0.67 per ckg from the previous weeks' average price of $160.08 per ckg. The Canadian dollar edged higher last week and closed Friday at 72.63 cents, up 0.49 cents from 72.14 the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed over the week but ended the week lower Friday, week-over-week. The nearby April 2016 contract declined US$1.475 per cwt last week to settle Friday at US$68.90 per cwt, while the June 2016 contract declined US$1.20 per cwt to settle Friday at US$79.15 per cwt. The April contract settled Friday over US$5 per cwt higher than current cash slaughter weight prices while the June lean hog futures contract settled over US$15 per cwt higher than current cash prices.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$60.35 per head, down US$1.91 per head from US$62.26 per head the previous week. Feeders (40lb) were US$76.48 per head, up $2.00 per head from US$74.48 per head, the previous week.



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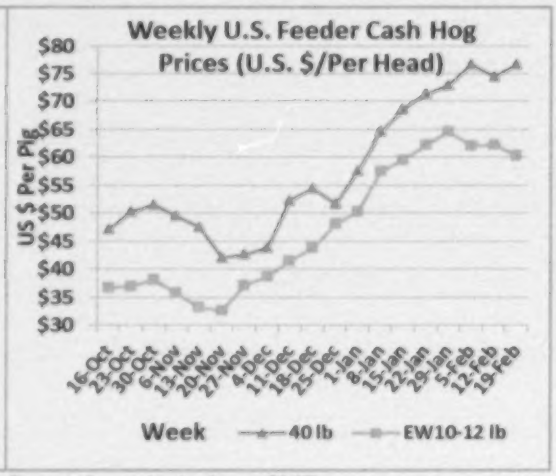


Source: Iowa Agriculture, CME

U.S. corn prices rebounded last week. U.S. Iowa cash corn prices increased seven cents to settle Friday at US$3.38 per bushel. U.S. daily corn futures prices were primarily higher over the week. The March 2016 corn contract increased seven cents to settle Friday at $3.65½ per bushel, while the May 2016 corn contract increased 5¾ cents to settle Friday at US$3.69¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending February 20 were estimated 2.294 million head, up 0.6 per cent from 2.281 million head the previous week, and up 0.9 per cent from 2.274 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending February 20 averaged 2.268 million head per week, up 0.8 per cent from 2.250 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Feb. 13, 2016 were estimated at 420,344 head, up 0.7 per cent from 417,354 head the previous week, and up 1.7 per cent from 413,152 head the same week a year ago.

In Western Canada, hogs slaughtered over the week ending February 13, 2016 were estimated at 169,105 head, up 4.4 per cent from 161,987 head the previous week, but down 1.8 per cent from 172,207 head the same week a year ago.

Meat Production

U.S. pork production for the week ending February 20, 2016 was estimated at 488.3 million lb., up slightly from 487.1 million lb. the previous week, and up slightly from 488.1 million lb. the same week a year ago. Pork production over the last four week's ending February 20 was estimated to average 483.0 million lb., down slightly from 483.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending February 20 was estimated at 432.8 million lb., down 4.2 per cent from 452.0 million lb. the previous week, but up 1.3 per cent from 427.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending February 13, 2016, was estimated to average 2.050 billion lb., up 1.4 per cent from 2.023 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up almost two per cent compared to the same period in 2015.

United States Weekly Meat Production

(Feb. 13) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	486.2	483.9	-0.5%	1.6%
Beef	455.9	462.2	1.4%	2.7%
Chicken	947.8	972.1	2.6%	2.1%
Turkey	132.8	132.0	-0.6%	-0.4%
Total	**2,022.7**	**2,050.2**	**1.36%**	**1.95%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending February 20, 2016 averaged US$75.79 per cwt, down US$0.59 per cwt or 0.8 per cent from US$76.56 per cwt the previous week, but up 5.2 per cent from US$72.21 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending February 20, 2016 averaged US$213.84 per cwt, down 1.7 per cent from US$217.63 per cwt the previous week, and down 10.7 per cent from US$239.47 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending February 20, 2016 averaged US$108.53 per cwt, down 0.9 per cent from US$109.50 per cwt the previous week, and down 20.9 per cent from US$137.15 per cwt the same week a year ago.

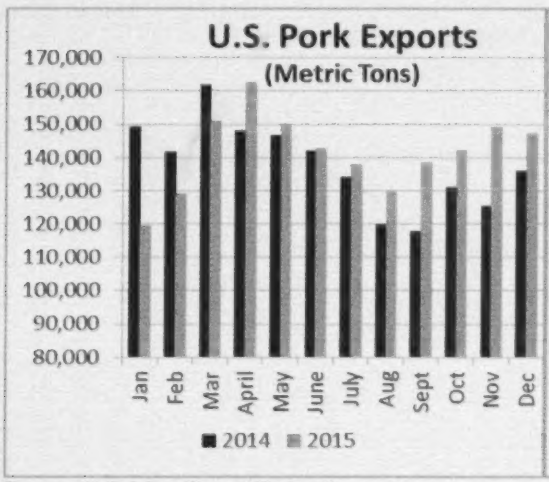
United States Pork Exports

United States exported 147,142 metric tons of pork in December 2015, down 1.1 per cent from 148,740 metric tons in November 2015, but up 8.4 per cent from 135,788 metric tons in December 2014. By dollar amount, U.S. pork exports in December 2015 were US$393.2 million, down slightly from US$393.9 million in November 2015, and down 11.9 per cent from US$446.5 million in December 2014. Overall, Pork exports by volume and dollar value have been relatively stable the last two months of 2015. Pork exports by dollar value are down year-over-year reflecting lower pork cutout values.

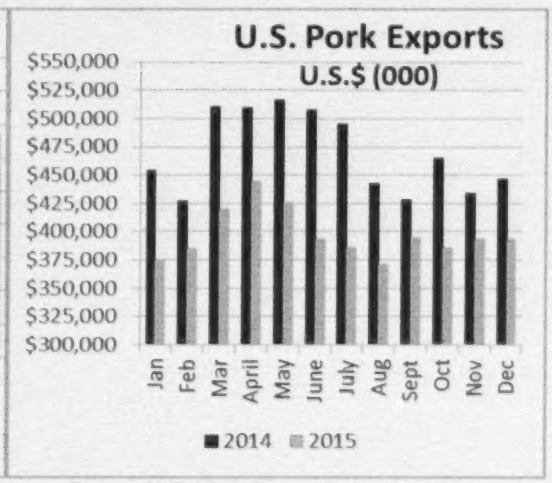
Total U.S. pork exports by volume for 2015 were 1,697,474 metric tons, up 2.7 per cent by volume from 2014. Total pork exports by U.S. dollar value for 2015 were $4,766,772, down 15.4 per cent by value compared to 2014.

Annual exports by dollar amount were lower to most of the major buyers including Japan, Mexico, China, and Canada, but still higher to South Korea. Exports by pork volume in 2015 were however higher to Mexico (+12.0 per cent), Hong Kong (+2.5 per cent), and South Korea (+27.4 per cent), compared to 2014.

U.S. pork exports to China by volume over the last few months have increased compared to the same months in 2014. (Source: U.S. Meat Export Federation)



Source: U.S. Meat Export Federation



Source: U.S. Meat Export Federation

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca